



CALIFORNIA HOUSING FINANCE AGENCY

CalHFA FHA Loan Program

LAST REVISED: AUGUST 2013

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Program Summary

The CalHFA FHA program is an FHA-insured loan featuring a CalHFA fixed interest rate first mortgage. This loan is fully amortized for a 30-year term and can be combined with either the California Homebuyer Downpayment Assistance Program (CHDAP) or the Extra Credit Teacher Program (ECTP).

The CalHFA FHA loan is not subject to Recapture Tax

Eligibility

Borrower Requirements

- Each borrower must be a first-time homebuyer
- Each borrower must be a U.S. citizen, permanent resident alien or qualified alien
- All borrowers must meet the credit, income and loan requirements detailed in this program handbook, CalHFA Lender Manual, FHA, the lender, and CalHFA's master servicer.

Homebuyer Education

CalHFA Homebuyer Education is required for one occupying borrower on each loan transaction.

- CalHFA Online Homebuyer Education sponsored by [eHome](#) Eight-hour Homebuyer Education course can be taken online from a personal computer, or
- Face-to-Face Homebuyer Education through [NeighborWorks America](#)

First-Time Homebuyers Definition

- All borrowers (including co-borrowers) must reside in the home and meet the definition of a first-time homebuyer. For CalHFA purposes, a first-time homebuyer is defined as a borrower who has not had an ownership interest in any principal residence during the previous three years.

Exceptions to First-Time Homebuyer Requirements:

- Qualified veterans are not required to be first-time homebuyers pursuant to the Heroes Earnings Assistance and Relief Tax Act of 2008
- Borrowers purchasing a home located in a [federally designated targeted area](#) are not required to be first-time homebuyers
 - › Targeted areas, defined by the Federal Tax Act, are: 1) census tracts in which seventy percent (70%) or more of the families have an income which is eighty percent (80%) or less of the statewide median family income, and 2) areas of chronic economic distress as provided in Section 143(j) of the Internal Revenue Code of 1986.

Owner Occupancy

- All borrowers must occupy the property as their primary residence
- Borrowers must occupy the financed residence as the principal residence within 60 days of closing
- Non-occupant co-borrowers are not allowed

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Eligibility (cont.)

- Non-occupant co-signers are allowed per FHA guidelines
- Non-occupant co-signers:
 - › must not occupy the property
 - › must not be on title or have a vested interest in the property
 - › must sign all loan documents except the security instrument(s)
 - › will have their income, assets, liabilities and credit histories considered by underwriters
- › Loan must be clearly labeled as an EEM
- › Provide copy of the Home Energy Rating System (HERS) report
- › HUD-1 must clearly label the funds being held for energy improvements
- Lot size cannot exceed five (5) acres maximum
- Properties must meet the requirement of FHA and the California Health and Safety Code
- Defects and/or repair conditions identified by the appraiser on the appraisal report must be corrected prior to purchase by CalHFA's master servicer
- › All units must be complete with respect to construction or repairs and ready to occupy
- › Escrow Holdbacks must be cleared prior to purchase (except in the case of an Energy Efficient Mortgage)

Property Requirements

- Sales price of the home cannot exceed [CalHFA's sales price limits](#) established for the county in which the property is located
- Property must be a single-family, one-unit residence, including approved condominium/PUDs

Additional Property Guidelines

- Condominiums must be FHA approved
- Multiple units, including guest houses, "granny" units, "in-law" quarters, and any separate units containing kitchen facilities are not eligible
- Manufactured housing is not permitted
- Leaseholds/Land Trusts and Co-ops are not permitted
- Non-permitted additions/alterations must follow FHA guidelines
- FHA's Energy Efficient Mortgage (EEM) program is allowed per FHA requirements

Property Flipping:

Follow the FHA first-mortgage underwriting guidelines

CalHFA requires a copy of all appraisals as required by FHA.

When multiple appraisals are required, CalHFA will base the subordinate loan amount(s) on the lesser of the sales price or least appraised value.

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Eligibility (cont.)

Lender Eligibility Requirements

- CalHFA-approved lenders are eligible for this program
- To be eligible to participate in this program, lenders must be also be approved by all of the following entities:
 - › FHA
 - › U.S. Bank, CalHFA's master servicer
- To seek U.S. Bank approval contact the Lender Management Group at Lender.management@usbank.com

Underwriting & Compliance

Transaction type

Purchase transactions only

Combined Loan-to-Value (CLTV):

CLTV cannot exceed 103.00%

Term

Up to 30 years

Maximum Loan Amount

The maximum total loan amount (excluding UFMIP) cannot exceed the lesser of \$417,000 or FHA loan limits for the county in which the property is located.

FHA's Section of the Act

CalHFA will accept the following FHA

Section of the Act mortgage types:

- 203(b) Home Mortgage Insurance
- 234(c) Mortgage Insurance for Condominiums

For FHA High Balance loan limits please see [CalHFA rate sheet](#) for add-ons.

LTV and CLTV

Loan-to-Value (LTV):

Follow FHA first mortgage underwriting guidelines

Maximum Sales Price Limits

The Sales Price of the home cannot exceed CalHFA Sales Price Limits for the county in which the property is located.

2013 SALES PRICE LIMITS

Effective: 8/5/13

Applicable for all CalHFA First Mortgage Programs

County	NEW CONSTRUCTION		RESALE	
	Non-Targeted	Targeted	Non-Targeted	Targeted
Alameda	\$673,616	\$823,308	\$673,616	\$823,308
Alpine	\$505,384	None	\$505,384	None
Amador	\$409,615	None	\$409,615	None
Butte	\$369,230	\$451,282	\$369,230	\$451,282
Calaveras	\$426,923	None	\$426,923	None
Colusa	\$366,923	None	\$366,923	None
Contra Costa	\$673,616	\$823,308	\$673,616	\$823,308
Del Norte	\$287,308	None	\$287,308	None
El Dorado	\$535,385	None	\$535,385	None
Fresno	\$351,923	\$430,129	\$351,923	\$430,129
Glenn	\$265,385	None	\$265,385	None
Humboldt	\$363,461	\$444,231	\$363,461	\$444,231
Imperial	\$300,000	\$366,666	\$300,000	\$366,666
Inyo	\$403,846	None	\$403,846	None
Kern	\$340,385	\$416,026	\$340,385	\$416,026
Kings	\$300,000	\$366,666	\$300,000	\$366,666
Lake	\$370,384	\$452,692	\$370,384	\$452,692
Lassen	\$263,077	None	\$263,077	None
Los Angeles	\$673,616	\$823,308	\$673,616	\$823,308
Madera	\$392,307	\$479,487	\$392,307	\$479,487
Marin	\$673,616	None	\$673,616	None
Mariposa	\$380,769	None	\$380,769	None
Mendocino	\$473,077	\$578,205	\$473,077	\$578,205
Merced	\$436,154	\$533,077	\$436,154	\$533,077
Modoc	\$250,200	None	\$250,200	None
Mono	\$488,308	None	\$488,308	None
Monterey	\$673,616	\$823,308	\$673,616	\$823,308
Napa	\$673,616	None	\$673,616	None
Nevada	\$519,231	None	\$519,231	None
Orange	\$673,616	\$823,308	\$673,616	\$823,308
Placer	\$535,385	None	\$535,385	None
Plumas	\$378,462	None	\$378,462	None
Riverside	\$461,539	\$564,103	\$461,539	\$564,103
Sacramento	\$535,385	\$654,359	\$535,385	\$654,359
San Benito	\$673,616	None	\$673,616	None
San Bernardino	\$461,539	\$564,103	\$461,539	\$564,103
San Diego	\$643,847	\$786,924	\$643,847	\$786,924
San Francisco	\$673,616	\$823,308	\$673,616	\$823,308
San Joaquin	\$451,154	\$551,410	\$451,154	\$551,410
San Luis Obispo	\$634,615	\$775,641	\$634,615	\$775,641
San Mateo	\$673,616	None	\$673,616	None
Santa Barbara	\$673,616	\$823,308	\$673,616	\$823,308
Santa Clara	\$673,616	\$823,308	\$673,616	\$823,308
Santa Cruz	\$673,616	None	\$673,616	None
Shasta	\$391,154	\$478,077	\$391,154	\$478,077
Sierra	\$281,308	None	\$281,308	None
Siskiyou	\$271,154	\$331,410	\$271,154	\$331,410
Solano	\$514,616	None	\$514,616	None
Sonoma	\$611,538	None	\$611,538	None
Stanislaus	\$391,154	\$478,077	\$391,154	\$478,077
Sutter	\$392,307	\$479,487	\$392,307	\$479,487
Tehama	\$288,462	None	\$288,462	None
Trinity	\$250,200	\$305,800	\$250,200	\$305,800
Tulare	\$300,000	\$366,666	\$300,000	\$366,666
Tuolumne	\$403,846	None	\$403,846	None
Ventura	\$673,616	\$823,308	\$673,616	\$823,308
Yolo	\$535,385	\$654,359	\$535,385	\$654,359
Yuba	\$392,307	\$479,487	\$392,307	\$479,487

Underwriting & Compliance (cont.)

Income Requirements

Lenders are required to calculate income to qualify borrower(s) for loan approval using FHA guidelines; in addition, CalHFA will review the borrower's income pursuant to program compliance.

1. be liable on the mortgage
2. be vested on title; and
3. live in the residence being financed

Qualifying Income vs. Program Compliance Income

Qualifying income is the income used by the lender to determine that the borrowers have the ability to meet their monthly obligation. Lender will continue to adhere to the guidelines of their internal underwriting guidelines, mortgage insurer, master servicer and this program handbook. This income may differ from the income used by CalHFA for program compliance purposes. All sources of income must be used to determine program compliance income limits.

Due to federal regulations, CalHFA is required to compile all information regarding borrower's income.

Family income includes:

Gross pay	Pensions
Overtime	Veterans
Bonuses	Administration (VA) compensation
Commissions	Gross rental or leased income
Part-time employment	Deferred income
Dividends	Welfare payments
Interest	Social security benefits
Annuities	Disability payments
Child support payments	Alimony
Human assistance/ services	Sick pay
Income received from Trust or Business & Investments from all sources (both taxable and non-taxable) including but not limited to earnings	Unemployment compensation
	Any regularly occurring additional income

Maximum Program Compliance Income Limits

The income of all borrowers cannot exceed the published [CalHFA income limits](#) detailed in this program handbook established for the county in which the property is located.

When multiple CalHFA loan programs are used in combination, the most restrictive income limits will apply.

CalHFA will calculate family income for CalHFA FHA loan eligibility, "Family income" is defined as the annualized gross income of a mortgagor, and any other person who is expected to:

Family income excludes:

Gifts – casual, sporadic or irregular

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Underwriting & Compliance (cont.)

Lump sum additions to household assets, such as inheritances, insurance settlement, capital gains, student financial assistance, settlements for personal or property losses

Education scholarships paid directly to the student

Foster child care payments, adoption assistance payments if not used to credit qualify for the loan

Income from employment of minor dependents not on title

Food stamps

Verification of employment and other supporting documentation regarding income such as paycheck stubs should be no more than sixty (60) days old at the time of submission to the Agency for loan approval.

For more detailed information see [Lender Program Manual](#)

2013 INCOME LIMITS
CalPLUS, CalHFA FHA, ECTP & CHDAP

Effective: 8/5/13

Applicable Behind FHA Loans

County/Persons	1	2	3	4	5	6	7	8
ALAMEDA	\$ 75,250	\$ 86,000	\$ 96,750	\$ 107,500	\$ 116,150	\$ 124,700	\$ 133,350	\$ 141,900
ALPINE	\$ 68,650	\$ 78,450	\$ 88,250	\$ 98,050	\$ 105,900	\$ 113,800	\$ 121,600	\$ 129,450
AMADOR	\$ 55,700	\$ 63,650	\$ 71,600	\$ 79,550	\$ 85,950	\$ 92,300	\$ 98,700	\$ 105,050
BUTTE	\$ 47,200	\$ 54,000	\$ 60,750	\$ 67,500	\$ 72,900	\$ 78,250	\$ 83,700	\$ 89,100
CALAVERAS	\$ 56,100	\$ 64,100	\$ 72,150	\$ 80,150	\$ 86,550	\$ 93,000	\$ 99,400	\$ 105,800
COLUSA	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
CONTRA COSTA	\$ 75,250	\$ 86,000	\$ 96,750	\$ 107,500	\$ 116,150	\$ 124,700	\$ 133,350	\$ 141,900
DEL NORTE	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
EL DORADO	\$ 61,200	\$ 70,000	\$ 78,700	\$ 87,450	\$ 94,450	\$ 101,450	\$ 108,450	\$ 115,450
FRESNO	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
GLENN	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
HUMBOLDT	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
IMPERIAL	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
INYO	\$ 52,900	\$ 60,500	\$ 68,050	\$ 75,350	\$ 81,650	\$ 87,750	\$ 93,800	\$ 99,850
KERN	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
KINGS	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
LAKE	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
LASSEN	\$ 53,750	\$ 61,400	\$ 69,100	\$ 76,800	\$ 82,900	\$ 89,050	\$ 95,250	\$ 101,350
LOS ANGELES	\$ 52,150	\$ 59,600	\$ 67,050	\$ 74,500	\$ 80,450	\$ 86,400	\$ 92,350	\$ 98,350
MADERA	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
MARIN	\$ 82,850	\$ 94,750	\$ 106,600	\$ 118,450	\$ 127,900	\$ 137,400	\$ 146,850	\$ 156,350
MARIPOSA	\$ 49,350	\$ 56,350	\$ 63,400	\$ 70,450	\$ 76,100	\$ 81,700	\$ 87,400	\$ 93,050
MENDOCINO	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
MERCED	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
MODOC	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
MONO	\$ 64,050	\$ 73,200	\$ 82,350	\$ 91,500	\$ 98,850	\$ 106,150	\$ 113,450	\$ 120,750
MONTEREY	\$ 55,250	\$ 63,200	\$ 71,100	\$ 79,000	\$ 85,300	\$ 91,650	\$ 97,950	\$ 104,300
NAPA	\$ 69,250	\$ 79,200	\$ 89,050	\$ 98,950	\$ 106,900	\$ 114,850	\$ 122,750	\$ 130,650
NEVADA	\$ 58,400	\$ 66,750	\$ 75,100	\$ 83,450	\$ 90,100	\$ 96,800	\$ 103,500	\$ 110,150
ORANGE	\$ 70,150	\$ 80,200	\$ 90,250	\$ 100,250	\$ 108,250	\$ 116,300	\$ 124,300	\$ 132,350
PLACER	\$ 61,200	\$ 70,000	\$ 78,700	\$ 87,450	\$ 94,450	\$ 101,450	\$ 108,450	\$ 115,450
PLUMAS	\$ 49,900	\$ 57,000	\$ 64,150	\$ 71,300	\$ 77,000	\$ 82,700	\$ 88,400	\$ 94,100
RIVERSIDE	\$ 52,300	\$ 59,800	\$ 67,250	\$ 74,750	\$ 80,700	\$ 86,700	\$ 92,650	\$ 98,650
SACRAMENTO	\$ 61,200	\$ 70,000	\$ 78,700	\$ 87,450	\$ 94,450	\$ 101,450	\$ 108,450	\$ 115,450
SAN BENITO	\$ 65,250	\$ 74,600	\$ 83,900	\$ 93,200	\$ 100,700	\$ 108,100	\$ 115,600	\$ 123,050
SAN BERNARDINO	\$ 52,300	\$ 59,800	\$ 67,250	\$ 74,750	\$ 80,700	\$ 86,700	\$ 92,650	\$ 98,650
SAN DIEGO	\$ 61,050	\$ 69,850	\$ 78,550	\$ 87,300	\$ 94,300	\$ 101,250	\$ 108,200	\$ 115,200
SAN FRANCISCO	\$ 82,850	\$ 94,750	\$ 106,600	\$ 118,450	\$ 127,900	\$ 137,400	\$ 146,850	\$ 156,350
SAN JOAQUIN	\$ 53,350	\$ 60,950	\$ 68,600	\$ 76,200	\$ 82,300	\$ 88,450	\$ 94,500	\$ 100,600
SAN LUIS OBISPO	\$ 60,700	\$ 69,350	\$ 78,050	\$ 86,700	\$ 93,650	\$ 100,600	\$ 107,500	\$ 114,450
SAN MATEO	\$ 82,850	\$ 94,750	\$ 106,600	\$ 118,450	\$ 127,900	\$ 137,400	\$ 146,850	\$ 156,350
SANTA BARBARA	\$ 58,950	\$ 67,400	\$ 75,850	\$ 84,250	\$ 91,000	\$ 97,750	\$ 104,500	\$ 111,250
SANTA CLARA	\$ 84,900	\$ 97,050	\$ 109,200	\$ 121,300	\$ 131,050	\$ 140,700	\$ 150,450	\$ 160,100
SANTA CRUZ	\$ 70,050	\$ 80,000	\$ 90,000	\$ 100,050	\$ 108,050	\$ 116,050	\$ 124,050	\$ 132,050
SHASTA	\$ 47,450	\$ 54,250	\$ 61,000	\$ 67,850	\$ 73,250	\$ 78,700	\$ 84,100	\$ 89,550
SIERRA	\$ 58,100	\$ 66,400	\$ 74,750	\$ 83,000	\$ 89,700	\$ 96,300	\$ 102,950	\$ 109,600
SISKIYOU	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
SOLANO	\$ 66,450	\$ 75,950	\$ 85,450	\$ 94,950	\$ 102,550	\$ 110,150	\$ 117,750	\$ 125,350
SONOMA	\$ 66,450	\$ 75,950	\$ 85,450	\$ 94,950	\$ 102,550	\$ 110,150	\$ 117,750	\$ 125,350
STANISLAUS	\$ 49,900	\$ 57,000	\$ 64,150	\$ 71,300	\$ 77,000	\$ 82,700	\$ 88,400	\$ 94,100
SUTTER	\$ 47,800	\$ 54,650	\$ 61,450	\$ 68,300	\$ 73,750	\$ 79,250	\$ 84,700	\$ 90,150
TEHAMA	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
TRINITY	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
TULARE	\$ 46,600	\$ 53,250	\$ 59,900	\$ 66,600	\$ 71,900	\$ 77,200	\$ 82,600	\$ 87,900
TUOLUMNE	\$ 53,700	\$ 61,350	\$ 69,000	\$ 76,700	\$ 82,800	\$ 88,950	\$ 95,100	\$ 101,200
VENTURA	\$ 71,850	\$ 82,100	\$ 92,400	\$ 102,650	\$ 110,850	\$ 119,100	\$ 127,300	\$ 135,550
YOLO	\$ 61,900	\$ 70,750	\$ 79,550	\$ 88,450	\$ 95,500	\$ 102,550	\$ 109,650	\$ 116,750
YUBA	\$ 47,800	\$ 54,650	\$ 61,450	\$ 68,300	\$ 73,750	\$ 79,250	\$ 84,700	\$ 90,150

Underwriting & Compliance (cont.)

Qualifying Ratios

The maximum total Debt-to-Income ratio cannot exceed 43.00% regardless of automated underwriting decision.

Minimum Credit Score

Minimum 640 credit score:

- The borrower's spouse with no credit score may be eligible as long as the borrower(s) with credit scores meet the minimum representative credit score requirement
- When all borrowers have a credit score, they must all meet the minimum representative credit score requirement
- The middle score of the lowest-scoring borrower should be used to determine eligibility

Automated Underwriting

Acceptable Automated Underwriting Systems:

- Fannie Mae Desktop Underwriter (DU®) with an Approve/Eligible recommendation
- Freddie Mac Loan Prospector (LP®) with an Accept result

Other customized automated underwriting systems are not acceptable

Manual Underwriting is not allowed for this program

Borrower Minimum Required Investment

- The borrower is required to make a minimum down payment into the transaction per FHA guidelines
- CalHFA requires the borrower(s) to make a minimum required

investment on a sliding scale based on the borrower representative credit score:

- › Credit Score 640-679 \$1,500
- › Credit Score > 680 \$1,000

- Cash back to borrower is not allowed from the CalHFA minimum required investment
- The minimum required investment can be from the borrower's own fund or gift funds (excluding loans and grants) as per FHA guidelines

Sales Concessions/Contributions

Concessions/contributions as per FHA guidelines except for the following:

- Payment of condominium fees
- Personal property
- Down payment assistance

Miscellaneous Underwriting

- Credit Underwriting is the responsibility of the originating lender
- All loans are subject to audit by both CalHFA and the master servicer
- Underwriters must consider the income, assets, liabilities and credit histories of co-signers
- Underwriters should:
 - › Make sound credit decisions
 - › Assure data integrity
 - › Include all necessary documents in support of the underwriting decision
- 2-1 or 1-1 temporary buydowns are permitted as per FHA guidelines

(continued on next page)

Underwriting & Compliance (cont.)

- › Loan must be credit qualified at Note rate

In the case of conflicting guidelines, the lender must follow the more restrictive to

meet the credit, income limits, total debt-to-income ratio and loan and property requirements of CalHFA, FHA, the lender or the master servicer.

Subordinate Financing

CalHFA Subordinate Financing

This program may be layered with the following down payment and/or closing cost assistance options, when available:

- California Homebuyer's Downpayment Assistance Program (CHDAP)
 - › May be used for closing cost or down payment assistance
 - › In the case of conflicting guidelines, the lender must follow the more restrictive
 - › For full CHDAP underwriting guidelines and details see the [CHDAP Program Handbook](#)
- Extra Credit Teacher Program (ECTP)
 - › May be used for down payment assistance
 - › In the case of conflicting guidelines, the lender must follow the more restrictive
 - › For full ECTP underwriting guidelines and details see the [ECTP Program Handbook](#)

CHDAP and ECTP may not be combined.

Non-CalHFA Subordinate

This program may be layered with locality programs to be used for closing costs or down payment assistance as per individual requirements.

- The Locality loan must meet FHA underwriting guidelines
- The maximum CLTV must meet CalHFA requirements
- In the case of conflicting guidelines, the lender must follow the more restrictive

Other Programs and Assistance

This program may be layered with CalHFA Mortgage Credit Certificate Tax Credit Program (MCC Tax Credit Program) or other Mortgage Credit Certificate (MCC) programs

- The MCC credit may not be used for credit qualifying purposes
- In the case of conflicting guidelines, the lender must follow the more restrictive
- For full CalHFA MCC Tax Credit Program underwriting guidelines and details see [MCC Tax Credit Program Handbook](#), or log onto the MCC Administrator's web site at www.ehousingplus.com

CalHFA Loan Process (Submission, Approval & Purchase)

The lender must submit a fully underwritten, lender-approved loan package to CalHFA for program policy and compliance review and desktop underwriting validation.

After the lender's designated underwriter has given final approval for the loan and has established that the borrower and property are within the CalHFA program eligibility limits, the lender may forward the loan to CalHFA for conditional approval. The loan package must have the underwriter's signed, final approval of loan closing and include all of the required documents.

CalHFA reviews loan files on a first-come, first-served basis. CalHFA reviewers will notify lenders of each conditional loan approval, suspension or rejection by fax. If the package is incomplete, the process will

be delayed and the file will be suspended until all items are complete and accurate. When the loan is approved, CalHFA will fax the Conditional Approval to the lender.

Upon receipt of the Conditional Approval, the lender is authorized to close and fund the loan(s). After funding, the lender will then ship a closed first mortgage purchase package to CalHFA's master servicer and any CalHFA subordinate loan (i.e. ECTP or CHDAP) purchase packages to CalHFA for purchase.

Lenders must submit applicable CalHFA subordinate purchase packages (CHDAP, ECTP) to CalHFA at the same time the first mortgage is submitted to the master servicer to ensure the purchase of both loans meet the rate lock expiration.

Single Family Lending Loan Process

Step 1

- ▲ Lender reserves loan(s) in LAS System
- ▲ Lender underwrites file
- ▲ Lender submits file to CalHFA for conditional approval
- ◆ CalHFA conducts a pre file log in review.
- ▲ If key items are missing, file is not put in line for review until all suspended items are received from lender

Step 2

- ◆ File is put in line for compliance review
- ◆ CalHFA reviews file for compliance
- ▲ If file is suspended by CalHFA, lender submits all suspended items

Step 3

- ◆ CalHFA issues conditional approval
- ▲ Lender draws docs
- ▲ Lender funds
- ▲ Lender submits 1st mortgage purchase package to US Bank AND subordinate loan package(s) to CalHFA within 10 business days

Step 4

- US Bank reviews purchase package on 1st mortgage AND CalHFA reviews subordinate loan packages
- ▲ If file is suspended by CalHFA and/or US Bank, lender submits all suspended items
- CalHFA and/or US Bank purchases loan

Responsible Party Key



Lender



CalHFA



CalHFA/US Bank

Fees

Lender Allowable Fees (Origination & Processing)

- Customary origination fees not to exceed the greater of 2% of the loan amount or \$3,000
- Other customary fees such as credit report fee, appraisal fee, insurance fee or similar settlement or financing cost
- In all cases the lender must meet federal and California lending laws regarding fees and charges

Master Servicer Fees

- The master servicer funding fee is \$200 per loan
- Funding fees paid by the borrower or seller must be disclosed and

documented on the final HUD-1 Settlement Statement

- Other customary master servicer fees may apply
- Lenders should refer to their legal/compliance department on how to disclose fees

Service Release Premium

- Lenders will earn a Service Release Premium (SRP) to release servicing to master servicer
- Master servicer will purchase loans directly from lender on a daily basis
- Master servicer will pay the SRP to lender at time of purchase

Reservation & Rate Lock

Interest rates are available on the CalHFA [Interest Rate page](#). Interest rates are subject to change at any time without notice.

Reservation and Rate Lock

- A sales contract must be executed prior to reservation
- Lenders must reserve loans including CHDAP or ECTP using CalHFA Lender Access System (LAS) prior to loan submission
- At the time of reservation the lender will have the option to float or lock the interest rate
 - › Reservations with a floating rate will be accepted from 6:00 a.m. to 11:59 p.m. Pacific Time, seven days a week

- Lender reserves loan for 90 days on existing/resale properties, or 120 days on new construction properties
 - › Reservations which include a rate lock will be accepted from 8:00 a.m. to 3:00 p.m. Pacific Time,, Monday through Friday, excluding state-recognized holidays, and days that the U.S. financial markets are closed for business
- Rate lock period will be 60 days (45 days to fund/15 days to purchase) for both existing/resale properties and new construction properties
- The rate lock expiration date supersedes the reservation expiration

(continued on next page)

Reservation & Rate Lock (cont.)

date on both the first mortgage and all CalHFA subordinate loans

- Reservation and rate lock period will run without interruption
- All CalHFA subordinate loan(s) will receive the same reservation, lock and purchase periods as the first mortgage

Rate Lock Requests made after Reservation (Float option only):

- Rate lock requests will be accepted between the hours of 8:00 a.m. and 3:00 p.m. Pacific Time, Monday thru Friday, excluding state-recognized holidays and U.S. financial market closures
- Lender may lock the interest rate at any time during the reservation period
- Rate will be locked for 60 days (45 days to fund/15 days to purchase) for both resale properties and new construction properties
- Lender must complete the [Rate Lock Request form](#) on the CalHFA website when ready to lock the rate. Fax or telephone rate lock requests will not be accepted
- When requesting a rate lock, the request must be at the same or lower interest rate than the rate at which the previously submitted file was underwritten or rate lock will not be accepted
- For loan files with a higher requested locked rate than the initial file submission, the lender must re-submit all updated loan

documents at the higher rate including Approved/Eligible DU® findings, lender-signed HUD 92900-LT, and final underwriting approval for CalHFA consideration and rate lock

Delivery Timeframes, Re-Reservations and Extensions:

- The first mortgage loan must be funded, delivered and purchased by the master servicer prior to the rate lock expiration
 - › All CalHFA subordinate loans must be funded, delivered and purchased by CalHFA concurrently with the first mortgage
- All rate lock extensions must be requested from CalHFA's Secondary Marketing Unit prior to the rate lock expiration date
 - › If rate lock has expired or is cancelled, lender may not re-lock until sixty (60) days after previous expiration date
 - › Rate lock extensions:
 - » 30 days 0.375 bps
 - » Only one (1) rate lock extension will be granted per rate lock
 - › This fee is to be net funded from the lender's proceeds at time of purchase
 - › This fee may be charged to the borrower(s) or seller(s). Refer to your compliance department for how to disclose this fee

(continued on next page)

Reservation & Rate Lock (cont.)

- Lender should factor in its own processing/underwriting time frames, as well as CalHFA compliance and conditional approval review, and master servicer review for purchase time frames when locking interest rates and submitting loan files

Basic Home Protection Coverage

Mandatory Home Warranty Insurance Coverage

- CalHFA requires that all borrower(s) obtain a two-year home warranty protection policy
- The insurance must cover the following items at a minimum:
 - › Water Heater(s)
 - › Air Conditioning
 - › Heating
 - › Refrigerator
 - › Oven/Stove/Range
 - › Microwave
 - › Washer/Dryer
- Borrower must execute the Borrower Acknowledgement of the Purchase of a 2-year Home Warranty Protection Plan
- Home Warranty to be paid through close of escrow
- Home Warranty must be disclosed on Final Settlement Statement or copy of insurance declaration page required to show a two-year policy

Pre-Closing Loan Submission

Loan Submission Process

A lender makes reservations through CalHFA's Lender Access System (LAS). Only one loan package should be submitted to CalHFA for credit validation and compliance review for both the CalHFA FHA as well as any additional CalHFA subordinate loans. Refer to the [Loan Submission Checklist](#) for minimum documentation requirements.

The lender must submit a fully underwritten, lender-approved loan package to CalHFA for automated underwriting validation and program compliance review.

After validation review, CalHFA will issue a Conditional Approval, Loan Suspension, or a Denial. Once the loan is conditionally approved, the loan may be funded, closed and delivered for purchase.

All closed first mortgages must meet FHA and Ginnie Mae standards.

CalHFA FHA loan submission packages are to be sent to:

CalHFA

Single Family Lending – MS 910
500 Capitol Mall, Ste. 400
Sacramento, CA 95814
877.922.5432

(continued on next page)

Pre-Closing Loan Submission (cont.)

Checklist

Use the Loan Submission Checklist to ensure you are submitting a complete and accurate package.

Forms

The following forms will be needed when submitting a CalPLUS FHA loan to CalHFA:

1. Loan Submission Checklist (07/26/13)
2. Borrower's Affidavit for Non-Mortgage Revenue Bond Loans (07/02/13)
3. Seller's Affidavit for Non-Mortgage Revenue Bond Loans (07/02/13)
4. Tax Return Affidavit (07/10/13)
5. Military Service Questionnaire (08/15/06)
6. Borrower Acknowledgement for Purchase of a 2-year Home Warranty Protection Plan (07/11/13)
7. Borrower Affidavit of Household Size (11/15/12)
8. Borrower's Certification & Authorization (11/15/12)
9. Statement of Citizenship, Alienage & Immigration Status for State Public Benefits (07/26/13)
10. Notice of Determination of Ineligibility (07/24/13)
11. Lender Verification of Citizenship/Qualified Alien Status (12/15/02)



California Housing Finance Agency

CALHFA Loan Submission Check List

Submit Copies Only

*A complete submission package including these items must be submitted before loan can be placed in line for review

**Not Required for CHDAP Stand-Alone submissions

LEFT SIDE

- ** ☐ **Borrower's Affidavit (07/02/13)** – all fields completed. Borrower(s) and Lender to sign and date
- ** ☐ **Seller's Affidavit (07/02/13)** – all fields completed. Seller(s) to sign and date
- ** ☐ **Statement of Citizenship, Alienage, and Immigration Status for State Public Benefits (07/26/13)** – Each borrower to complete applicable Section A, B or C. Each borrower must complete and sign a separate form
- ** ☐ **Lender Verification of Citizenship/Qualified Alien Status (12/15/02)** - Lender to fully complete, sign and date
- ☐ **Military Service Questionnaire (08/15/06)** – Borrower(s) to complete, sign and date
- ☐ **Borrower(s) Certificate of Completion of Homebuyers Education Counseling** – for all borrowers and from acceptable source
- ☐ **Borrower Affidavit of Household Size (11/15/12)** Borrower(s) to complete, sign & date
- ☐ **Borrower's Certification & Authorization (10/30/12)** – Borrower(s) to complete, sign & date
- ** ☐ **Borrower Acknowledgement for Purchase of a 2-year Home Warranty Protection Plan (07/11/13)** – Borrower(s) to complete, sign & date
- ☐ **ECTP Eligibility Certificate (7/18/13)** – Borrower(s) to complete sign & date
- ☐ **ECTP Service Commitment (7/18/13)** – Borrower(s) to sign & date

RIGHT SIDE

- * ☐ **FINAL FHA 92900-LT (LT)** must be approved at highest insurable rate possible and signed by lender's underwriter (if LT is not signed supply HUD form 92900-A signed by underwriter)
- * ☐ **FINAL Automated Underwriting Findings** – Approve/Eligible decision from Fannie Mae's Desktop Underwriter® (DU®), Accept results for Freddie Mac Loan Prospector (LP) **must match the signed FINAL LT.** Manual Underwriting is not allowed
- * ☐ **Lender's FINAL In-House Underwriting Approval*** with list of conditions. All loan information and terms **must match the signed**

RIGHT SIDE (Continued)

- FINAL LT and AUS** * a Credit Only Approval and a Underwriter signed HUD form 92800.5B will be acceptable
- * ☐ **FINAL and/or Initial Loan Application (1003)** for Borrowers(s) (and co-signer(s), as applicable) Must be signed by all applicants (electronic signatures are not acceptable)
- ☐ **Credit Report** must match FINAL automated findings report. Social Security number(s) must match documentation in file. Supply credit report for non-purchasing spouse if applicable
- ☐ **All Signed Explanation Letters**, as applicable
- ☐ **Verification of Employment** – written or verbal (must verify start date) – no more than 60 days old
- ☐ **Pay Stub(s) Covering a 30-Day Period** – no more than 60 days old
- ☐ **W-2(s)** – most current year and from all sources
- ☐ **Signed YTD Profit & Loss** on any Federal Schedule C or E Income, as applicable
- ☐ **Federal Income Tax Returns (1040s)** - Complete copies from the last 3 years
- ☐ **CalHFA Tax Return Affidavit and Verification of Rents (07/10/13)**– ONLY for borrower(s) not required to file 1040s
- ☐ **IRS Form 4506** (Item #5 to be left blank) signed by Borrower(s)
- ☐ **Evidence of Child Support received** Satisfactory Court documents or other documentation to evidence receipt of support
- ☐ **Verification of Funds to Close** (e.g., bank statements, gift letter, funds. etc.)
- ☐ **Purchase Contract or Escrow Instructions & Short Sale Approval (if applicable)** – full copy. Sales price must match signed 1008/LT/VALA
- * ☐ **Appraisal (URAR)** with photos, sketch, map and appraiser's signature – no more than 120 days old. For FHA Only – supply all appraisals required under Property Flip Guidelines
- ☐ **"Life of Loan" Standard Flood Hazard Determination**
- ☐ **Lender's Warranty for Condominium/ Attached PUD** (see Fannie Mae Announcement)
- * ☐ **Preliminary Title Report** with map and address supplement –no more than 120 days old

Note: This check list represents the minimum documents required for CalHFA approval. Other documents may be required by underwriter/reviewer.

Rev 8/19/2013



BORROWER'S AFFIDAVIT

(For Non Mortgage Revenue Bond (MRB) Loans)

I, _____, and I, _____
"Applicant(s)", have applied for a home mortgage originated by _____, pursuant
to the Mortgage Program of the California Housing Finance Agency ("CalHFA"), do hereby represent and warrant
as follows:

1. The residence to be financed with the proceeds of the mortgage loan is located within the County of:
_____ at _____
2. The residence is reasonably suitable for occupancy by not more than one family.
3. (I/We) will occupy the residence as (my/our) principal place of residence within 60 days of the closing of the residence mortgage, (I/We) do not intend to, and have not entered into any arrangement to, rent, sell, assign or transfer the residence.
4. This loan is to be FHA insured. Borrower understands that if the Agency, or other holder of the loan takes the home through foreclosure of the Deed of Trust securing the loan because of a failure to occupy as primary residence, or Borrower has committed fraud or intentionally misrepresented himself when Borrower applied for the loan, HUD will not be able to help Borrower. Furthermore, if the money received from the foreclosure sale is not enough to pay the remaining amount of money Borrower owes on the loan, Borrower may, pursuant to applicable laws, be subject to a deficiency judgement (a court ruling that Borrower must pay whatever money is still owed on the loan after the foreclosure sale).
5. (I/We) will not use more than 15% of the total area of the residence or otherwise use the residence primarily in a trade or business which qualifies (me/us) to a deduction for expenses for business use of residence under Section 280A of the Internal Revenue Code, use the residence as investment property and will not receive any income from the residence or the land being purchased with the residence, or use the residence as a recreational residence.
6. All of the land being purchased with the home is required to maintain the basic livability of the residence, and (I/we) have no intention of subdividing such land or otherwise selling it apart from the residence.
7. (I/We) have submitted to CalHFA a true and correct copy of the purchase contract together with all other agreements which (I/we) have entered into with the seller of the residence.
7. a. The Acquisition Cost* of the residence as shown in the purchase contract is \$ _____. Neither (I/we) nor anyone on (my/our) behalf has made any payment other than such amount to the seller of the residence or to any other person on behalf of the seller, nor have (I/we) cancelled any debt of the seller or any related person of the seller.
- b. (I/We) have not entered into any agreement with the seller of the home, the developer, the contractor, or any other person pursuant to which any portion of the residence has been left unfinished or any fixtures or other architectural appointments have been omitted or removed from the residence in order to reduce the Acquisition Cost, and the home as sold to (me/us) is substantially complete and contains all appropriate fixtures and other architectural appointments.

*The term "Acquisition Cost" means the cost of acquiring a residence from the seller as a completed unit. The term does not include usual and reasonable settlement or financing costs. It does include the amount of any lien or assessment to which the home is subject .

BORROWER'S AFFIDAVIT

8. (I/We) will not use any part of the loan proceeds to acquire or replace an existing mortgage or loan which (I/we) have on the residence.
9. (I/We) will not allow the property to be transferred during the term of the loan without the approval of the California Housing Finance Agency, or other holder of the loan.
10. (I/We) have not previously been the borrower(s) of a CalHFA financed loan (not applicable if this is an assumption of a CalHFA/FHA loan).
11. (I/We) understand that the CalHFA approved sales price limits for existing houses are, in some counties of California, less than the CalHFA approved sales price limits for new construction. THIS COULD RESULT IN A LOWER SALES PRICE LIMIT UPON THE TRANSFER OF THE HOME MORTGAGE THAN WAS ORIGINALLY PAID FOR THE RESIDENCE. At the date of this Affidavit the CalHFA approved sales price for an **EXISTING** house in _____ County is \$_____.
12. (I/We) certify that (my/our) annualized gross income for the last calendar year is _____.
13. The Borrower will be required to make monthly payment into an impound account held by the Lender to pay for property taxes, hazard insurance and mortgage insurance.
14. (I/We) certify that (I/we) are citizens or other nationals of the United States or a qualified alien as defined in the Citizenship and Alien Verification regulations of the California Housing Finance Agency set forth in Title 25 of the California Code of Regulations, Division Z, Chapter 3 (Sections 12001, *et. seq.*) which implement federal legislations known as Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Pub. L. No. 104-193, 8 U.S.C. Sections 1601, *et. seq.*).

15. (I/We) Certify that (my/our) Social Security Numbers are:

_____ Name of Borrower #1	Social Security Number _____
_____ Name of Borrower #2	Social Security Number _____
_____ Name of Borrower #3	Social Security Number _____
_____ Name of Borrower #4	Social Security Number _____

BORROWER'S AFFIDAVIT

16. The following information is requested by the federal government. California law requires that such information, when collected, be broken down into more specific categories as described below. You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may not discriminate on the basis of this information, or on whether you choose to furnish it.

BORROWER #1	BORROWER #2	BORROWER #3	BORROWER #4
I do not wish to furnish this information <input type="checkbox"/>	I do not wish to furnish this information <input type="checkbox"/>	I do not wish to furnish this information <input type="checkbox"/>	I do not wish to furnish this information <input type="checkbox"/>
Gender Male <input type="checkbox"/> Female <input type="checkbox"/>	Gender Male <input type="checkbox"/> Female <input type="checkbox"/>	Gender Male <input type="checkbox"/> Female <input type="checkbox"/>	Gender Male <input type="checkbox"/> Female <input type="checkbox"/>
Ethnicity <input type="checkbox"/> Not Hispanic or Latino <input type="checkbox"/> Hispanic or Latino	Ethnicity <input type="checkbox"/> Not Hispanic or Latino <input type="checkbox"/> Hispanic or Latino	Ethnicity <input type="checkbox"/> Not Hispanic or Latino <input type="checkbox"/> Hispanic or Latino	Ethnicity <input type="checkbox"/> Not Hispanic or Latino <input type="checkbox"/> Hispanic or Latino
Race or National Origin <input type="checkbox"/> American Indian or Alaskan Native	Race or National Origin <input type="checkbox"/> American Indian or Alaskan Native	Race or National Origin <input type="checkbox"/> American Indian or Alaskan Native	Race or National Origin <input type="checkbox"/> American Indian or Alaskan Native
<input type="checkbox"/> Asian (specify) <input type="checkbox"/> Asian Indian <input type="checkbox"/> Cambodian <input type="checkbox"/> Chinese <input type="checkbox"/> Filipino <input type="checkbox"/> Guamanian <input type="checkbox"/> Hawaiian <input type="checkbox"/> Japanese <input type="checkbox"/> Korean <input type="checkbox"/> Laotian <input type="checkbox"/> Samoan <input type="checkbox"/> Vietnamese	<input type="checkbox"/> Asian (specify) <input type="checkbox"/> Asian Indian <input type="checkbox"/> Cambodian <input type="checkbox"/> Chinese <input type="checkbox"/> Filipino <input type="checkbox"/> Guamanian <input type="checkbox"/> Hawaiian <input type="checkbox"/> Japanese <input type="checkbox"/> Korean <input type="checkbox"/> Laotian <input type="checkbox"/> Samoan <input type="checkbox"/> Vietnamese	<input type="checkbox"/> Asian (specify) <input type="checkbox"/> Asian Indian <input type="checkbox"/> Cambodian <input type="checkbox"/> Chinese <input type="checkbox"/> Filipino <input type="checkbox"/> Guamanian <input type="checkbox"/> Hawaiian <input type="checkbox"/> Japanese <input type="checkbox"/> Korean <input type="checkbox"/> Laotian <input type="checkbox"/> Samoan <input type="checkbox"/> Vietnamese	<input type="checkbox"/> Asian (specify) <input type="checkbox"/> Asian Indian <input type="checkbox"/> Cambodian <input type="checkbox"/> Chinese <input type="checkbox"/> Filipino <input type="checkbox"/> Guamanian <input type="checkbox"/> Hawaiian <input type="checkbox"/> Japanese <input type="checkbox"/> Korean <input type="checkbox"/> Laotian <input type="checkbox"/> Samoan <input type="checkbox"/> Vietnamese
<input type="checkbox"/> Black or African American	<input type="checkbox"/> Black or African American	<input type="checkbox"/> Black or African American	<input type="checkbox"/> Black or African American
<input type="checkbox"/> White	<input type="checkbox"/> White	<input type="checkbox"/> White	<input type="checkbox"/> White
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

IF YOU CHOOSE NOT TO FURNISH THE ABOVE INFORMATION AND YOU HAVE MADE THIS APPLICATION IN PERSON, UNDER FEDERAL REGULATIONS THE LENDER IS REQUIRED TO NOTE YOUR RACE OR NATIONAL ORIGIN AND SEX ON THE BASIS OF VISUAL OBSERVATION OR SURNAME.

(I/We) have read the Promissory Note and Deed of Trust, and (I/we) understand that the loan may be accelerated upon the occurrence of certain events specified therein.

BORROWER'S AFFIDAVIT

(I/We) understand that, if (I/we) have made any material misstatements in the foregoing representation or omitted to state any of the information requested, the following may occur:

1. The office of the district attorney will be contacted for investigation regarding misrepresentation and fraud.
2. The outstanding principal balance of the loan will be immediately due and payable together with accrued interest and foreclosure costs (if foreclosure is necessary because payment in full or the outstanding principal balance and accrued interest thereon is not made immediately).
3. The rate of interest on the loan from the date of discovery will, at the option of the holder, increase to the maximum amount permitted by law and the monthly payment amount will be increased to amortize the loan over the term of the original note.

(I/We) declare under penalty of perjury that the foregoing warranties and representations are true and correct. Executed on the date or dates shown below.

_____ Date and City	_____ Signature – Borrower #1
_____ Date and City	_____ Signature – Borrower #2
_____ Date and City	_____ Signature – Borrower #3
_____ Date and City	_____ Signature – Borrower #4

-LENDER STATEMENT-

I have explained the contents of this affidavit to each of the Borrowers whose signature appears above, and I have no reason to believe that those individuals made any misstatements in the warranties and representations required to be made herein or omitted to state any of the information requested. If Borrower(s) chose not to furnish the following information, under Federal regulations Lender is required to note ethnicity, race and sex on the basis of visual observation or surname.

BORROWER #1	BORROWER #2	BORROWER #3	BORROWER #4
Male <input type="checkbox"/> Female <input type="checkbox"/>	Male <input type="checkbox"/> Female <input type="checkbox"/>	Male <input type="checkbox"/> Female <input type="checkbox"/>	Male <input type="checkbox"/> Female <input type="checkbox"/>
Ethnicity: <input type="checkbox"/> Not Hispanic or Latino <input type="checkbox"/> Hispanic or Latino	Ethnicity: <input type="checkbox"/> Not Hispanic or Latino <input type="checkbox"/> Hispanic or Latino	Ethnicity: <input type="checkbox"/> Not Hispanic or Latino <input type="checkbox"/> Hispanic or Latino	Ethnicity: <input type="checkbox"/> Not Hispanic or Latino <input type="checkbox"/> Hispanic or Latino
Race or National Origin: _____	Race or National Origin: _____	Race or National Origin: _____	Race or National Origin: _____

_____ Date and City	_____ Signature of Officer or Lender
------------------------	---



SELLER'S AFFIDAVIT
(For Non-Mortgage Revenue Bond (MRB) Loans)

I, _____, and I, _____, as
seller(s) of a residence to _____ and
_____, as purchaser(s), do hereby represent and warrant as
follows:

1. The residence is located within the County of _____ at _____

2. The residence is reasonably suitable for occupancy by not more than one family.
3. a. The acquisition cost* of the residence as shown in the purchase contract is
\$ _____ .
b. Neither the purchasers nor anyone on their behalf has made any payment other than the
amount shown in "a." to (me/us) or to any other person on (my/our) behalf, nor have they
canceled any debt owed by (me/us) or by any person related to (me/us).
c. (I/We) have not entered into any agreement with the purchasers of the residence pursuant
to which any portion of the residence has been left unfinished or any fixtures or other
architectural appointments have been omitted or removed from the residence in order to
reduce the acquisition cost, and the residence as sold to the purchasers is substantially
complete and contains all appropriate fixtures and other architectural appointments.
d. The purchasers are not required to pay more than a pro rata share of assessments.
4. The residence **(HAS/HAS NOT)** been previously occupied by the purchasers or others prior
to the closing of the residential mortgage. **(Circle One)**

**(I/We) declare under penalty of perjury that the foregoing
representations are true and correct.**

Date and City _____ **Signature** _____

Date and City _____ **Signature** _____



TAX RETURN AFFIDAVIT

I, _____, and I, _____, as applicants for a home mortgage loan originated by: _____, pursuant to the Mortgage Loan Program of the California Housing Finance Agency, do hereby represent and warrant that (I/we) were not required to file a federal income tax return for the calendar year(s) _____ in accordance with section 6012 of the Internal Revenue Code.

In lieu of tax returns, the lender must provide a verification of rents for the calendar year(s) referenced above.

(I/We) declare under penalty of perjury that the foregoing is true and correct. Executed on the date or dates shown below.

Date

Signature of Borrower

Date

Signature of Borrower



MILITARY SERVICE QUESTIONNAIRE

(For Informational Purposes Only)

CalHFA Manifest Number _____

Property Address _____

Street

City

State

Zip

Borrower Name _____

Co-Borrower (1) Name _____

Co-Borrower (2) Name _____

Co-Borrower (3) Name _____

Military Service: Is this person now serving, or has this person ever served on active duty in the U.S. Armed Forces, Military Reserves, or National Guard?

Borrower ☐ Yes ☐ No ☐ Decline to Report

Co-Borrower (1) ☐ Yes ☐ No ☐ Decline to Report

Co-Borrower (2) ☐ Yes ☐ No ☐ Decline to Report

Co-Borrower (3) ☐ Yes ☐ No ☐ Decline to Report

Signature of Borrower

Date

Signature of Co-Borrower (1)

Date

Signature of Co-Borrower (2)

Date

Signature of Co-Borrower (3)

Date



Borrower Acknowledgment for Purchase of a 2-year Home Warranty Protection Plan

To protect first-time homebuyer(s) from potential financial hardships, CalHFA requires a 2-year home warranty protection plan to be added to the purchase on any first loan financed through CalHFA. A home warranty protection plan covers the repair or replacement of many home appliances and system components.

A home warranty protection plan can be purchased from any home warranty provider if the policy covers a minimum of these household items:

- Water Heater(s)
- Air Conditioning
- Heating
- Refrigerator
- Oven/Stove/Range
- Microwave
- Washer/Dryer

I, _____ and I, _____
"Applicant(s)", have applied for a home mortgage originated by _____,
Pursuant to the Mortgage Program of the California Housing Finance Agency
("CalHFA"), do hereby represent and warrant:

☐ I/we will purchase during escrow a minimum of a two-year home warranty protection plan of my choosing covering the minimum list of items stated above for the residence being financed by CalHFA

☐ I/we will be purchasing a new construction property from a builder. The builder is providing a home warranty that meets state warranty standards. I/we will be accepting the builder's home warranty and not purchasing an addition home warranty. Additionally, I therefore agree that the above listed appliances are covered under either the builder or manufacture warranty.

Property known as:

Street Address

City

State

Zip



I/We declare that the foregoing is true and correct. Executed on the date shown below:

Date: _____

Printed Name of Applicant

Printed Name of Applicant

Signature of Applicant

Signature of Applicant

**Borrower Affidavit of Household Size**

I, _____ and I, _____
“Applicant(s)”, have applied for a home mortgage originated by _____,
Pursuant to the Mortgage Program of the California Housing Finance Agency (“CalHFA”), do hereby
represent and warrant as follows:

The residence to be finance with the proceeds of the mortgage loan is located within the County of _____
at:

Address 1_____
Address 2_____
City_____
State_____
Zip

The Residence is reasonably suitable for occupancy by not more than one family.

(I/We) certify that the total number of members of (my/our) family, including (me/us) who will reside in the residence on a permanent primary basis is _____, and that the applicant(s), and only the applicant(s), (is/are) acquiring a present ownership interest in the residence. Household/family size is defined as all persons who will reside in the residence on a permanent primary basis.

(I/We) certify that the following person(s) will live in the residence on a permanent primary basis:

Name	Relationship	Age

(I/We) declare under penalty of perjury that the foregoing is true and correct. Executed on the date shown below.

Date: _____

Printed Name of Applicant_____
Printed Name of Co-Applicant_____
Signature of Applicant_____
Signature of Co-Applicant



Authorization to Release Information

Property Address _____
Street City State Zip

To Whom It May Concern,

I, _____ and I, _____
“Applicant(s)” authorize you to provide California Housing Finance Agency (CalHFA), and to any investor to whom CalHFA may have sold our loan, any and all information and documentation that they request. Such information includes, but is not limited to: employment and income history; present income; bank, money market, and similar account balances, credit history, and copies of income tax returns.

CalHFA may verify information of the same nature as that contained in my/our loan application and in other documents required in connection with the loan, either before the loan is closed or as part of CalHFA’s quality control program.

A copy of this authorization may be accepted as an original. This Authorization terminates upon payoff of the loan(s).

Your prompt reply to California Housing Finance Agency or the investor that purchased the loan is appreciated.

NOTICE TO BORROWERS: This is notice to you as required by the Right to Financial Privacy Act of 1978 that HUD/FHA has a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to HUD/FHA without further notice or authorization but will not be disclosed or released by this institution to another Government Agency or Department without your consent except as required or permitted by law.

Date: _____

_____ Name (Typed or Printed)	_____ Borrower’s Signature	_____ Social Security Number
_____ Name (Typed or Printed)	_____ Borrower’s Signature	_____ Social Security Number



STATEMENT OF CITIZENSHIP, ALIENAGE, AND IMMIGRATION STATUS FOR STATE PUBLIC BENEFITS

Print Name of Applicant (the applicant is the person who wants to receive a California Housing Finance Agency (CalHFA) Single Family Lending Program loan or to occupy a Multifamily Program unit):	Date:
Print Name of Person Acting for Applicant, if any:	*Relationship to Applicant

STATE PUBLIC BENEFITS TO CITIZENS AND ALIENS

Citizens and other nationals of the United States who meet all eligibility requirements may receive a CalHFA Single Family Lending Program loan or occupancy of a Multifamily Program unit and must complete Sections A and C of this form.

Aliens who meet all eligibility requirements may receive a CalHFA Single Family Lending Program loan or occupancy of a Multifamily Program unit and must complete Sections B and C of this form.

SECTION A: CITIZENSHIP STATUS DECLARATION

1. Is the applicant a citizen or other national of the United States? Yes ☐
2. To establish citizenship or nationality, please submit proof of citizenship or nationality of the United States, which includes copies of the Applicant's birth certificate, passport, certificate of U.S. Citizenship or naturalization, or other proof of citizenship.

IF YOU ARE A CITIZEN OR OTHER NATIONAL OF THE UNITED STATES, GO DIRECTLY TO SECTION C. IF YOU ARE AN ALIEN, PLEASE COMPLETE SECTION B AND SECTION C.

SECTION B: ALIEN STATUS DECLARATION

IMPORTANT: Please indicate the applicant's alien status below, and submit original and unexpired documents evidencing such status. The alien status documents listed for each category are the most commonly used documents that the United States Citizenship and Immigration Services (USCIS), formerly the United States Immigration and Naturalization Service (INS), provides to aliens in those categories. The applicant can provide other acceptable evidence of his or her alien status even if not listed below.

1. An alien lawfully admitted for permanent residence under the Immigration and Naturalization Act (INA). Evidence includes: ☐
 - USCIS Form I-551 (Alien Registration Receipt Card, commonly known as a "green card"); or
 - Unexpired Temporary I-551 stamp in foreign passport or on USCIS form I-94.
2. An alien who is granted asylum under Section 208 of the INA. Evidence includes: ☐

- USCIS Form I-94 annotated with stamp showing grant of asylum under section 208 of the INA;
 - USCIS Form I-688B (Employment Authorization Card) annotated “274a.12(a)(5)”;
 - USCIS Form I-766 (Employment Authorization Document) annotated “A5”;
 - Grant of Status letter from the Asylum Office of USCIS; or
 - Order of an immigration judge granting asylum.
3. A refugee admitted to the United States under Section 207 of the INA. Evidence includes: ☐
- USCIS Form I-94 annotated with stamp showing admission under Section 207 of the INA;
 - USCIS Form I-688B (Employment Authorization Card) annotated “274a.12(a)(3)”;
 - USCIS Form I-766 (Employment Authorization Document) annotated “A3”;
 - USCIS Form I-131 (Refugee Travel Document).
4. An alien paroled into the United States under section 212(d)(5) of the INA for at least one year. Evidence includes: ☐
- USCIS Form I-94 with stamp showing admission under Section 212(d)(5) of the INA.
5. An alien whose deportation is being withheld under Section 243(h) of the INA (as in effect immediately prior to April 1, 1997) or whose removal is being withheld under section 241 (b)(3) of such act. Evidence includes: ☐
- USCIS Form I-688B (Employment Authorization Card) annotated “274a.12(a)(10)”;
 - USCIS Form I-766 (Employment Authorization Document) annotated “A-10”; or
 - Order from an immigration judge showing deportation withheld under Section 243(h) of the INA as in effect prior to April 1, 1997, or removal withheld under Section 241 (b)(3) of the INA.
6. An alien who is granted conditional entry under Section 203(a)(7) of the INA as in effect prior to April 1, 1980. Evidence includes: ☐
- INS Form I-94 with stamp showing admission under Section 203(a)(7) of the INA;
 - INS Form I-688B (Employment Authorization Card) annotated “274a.12(a)(3)”;
 - INS Form I-766 (Employment Authorization Document) annotated “A-3”.
7. An alien who is a Cuban or Haitian immigrant (as defined in Section 501 (e) of the Refugee Education Assistance Act of 1980). Evidence includes: ☐
- USCIS Form I-551 (Alien Registration Receipt Card, commonly known as a “green card”) with the code CU6, CU7 or CH6; or
 - Unexpired temporary I-551 stamp in foreign passport or on USCIS Form I-94 with the code CU6 or CU7; or
 - USCIS Form I-94 with stamp showing parole as “Cuban/Haitian Entrant” under Section 212(d)(5) of the INA.
8. An alien not in categories 1 through 7 who has been admitted to the United States for a limited period of time (a non-immigrant). Non-immigrants are ☐

persons who have temporary status for a specific purpose. (Evidence includes USCIS Form I-94 showing this status.)

9. **Battered Alien Provisions:** An alien who has been battered or subjected to extreme cruelty pursuant to 8 U.S.C. 1641(c) (check the box below that applies):

- Check if the USCIS has approved a petition or application (USCIS Form I-130 or I-360) filed by or on behalf of the applicant under the INA or found that a pending petition sets forth a prima facie case. ☐
- Check if the Executive Office for Immigration Review ("EOIR") has or is considering suspension of deportation under Section 244(a)(3) or cancellation of removal under Section 240A(b)(2) of the INA. ☐

SECTION C:

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ANSWERS I HAVE GIVEN ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE. ALSO, BY SIGNING THIS DECLARATION I HEREBY AGREE THAT THE CALIFORNIA HOUSING FINANCE AGENCY MAY, DIRECTLY OR THROUGH ITS CONTRACTORS, AGENTS, GRANTEEES OR DESIGNEES, TAKE SUCH ACTIONS AS IT DEEMS NECESSARY TO VERIFY THE ACCURACY OF THESE STATEMENTS, AND THAT ANY PERSON OR ENTITY CONTACTED BY CalHFA, ITS CONTRACTORS, AGENTS, GRANTEEES OR DESIGNEES, IN THE COURSE OF SUCH VERIFICATION, INCLUDING BUT NOT LIMITED TO THE INS, MAY RELEASE SUCH PERTINENT INFORMATION TO CalHFA AND/OR ITS CONTRACTORS, AGENTS, GRANTEEES OR DESIGNEES.

WARNING: SERIOUS LEGAL CONSEQUENCES, INCLUDING CRIMINAL AND CIVIL OR BOTH, MAY RESULT FROM A FALSE DECLARATION! FOR EXAMPLE, SECTION 1015(e) OF TITLE 18 OF THE UNITED STATES CODE PUNISHES AS A FELONY ANY KNOWING FALSE STATEMENT THAT ONE IS A CITIZEN OR OTHER NATIONAL OF THE UNITED STATES WITH THE INTENT TO OBTAIN ANY FEDERAL OR STATE BENEFIT OR SERVICE.

Applicant's Signature: _____ Date: _____

*Signature of Person
Acting for Applicant: _____ Date: _____

*If and only if the applicant is an unemancipated minor (under 18 years of age) or an adult who is not competent to or has a disability which renders him/her unable to understand or execute this Form 1, then the Form 1 shall be executed by a parent, legal guardian, or other person legally qualified to act on behalf of the applicant.

NOTICE OF DETERMINATION OF INELIGIBILITY AND DESCRIPTION
OF APPEAL PROCESS

(Lender Letterhead)

Applicant Name(s)
Current street Address
City, State, Zip

Date _____
Dear _____ :

A review of the documentation you submitted to support your declared status as a United States citizen or national or a qualified alien in connection with your application for a California Housing Finance Agency (CalHFA) loan or grant has been completed. You have been determined to be ineligible for a CalHFA loan or grant for the following reason(s): _____

(i.e., U.S. Citizenship and Immigration Services ("USCIS") has determined that you are not a United States citizen or national or qualified alien.)

(To be used only when USCIS determined that the applicant was ineligible.) If you believe that USCIS provided us with erroneous information about your immigration status, you may contact them at:

(insert the address and phone number of the local office) to provide correct information.

Any applicant who is determined to be ineligible on the basis that they are not a United States citizen or national or a qualified alien may appeal such determination. The appeal process cannot be used to appeal any other CalHFA or lender eligibility decisions (e.g. first-time homebuyer, income eligibility, credit worthiness, property eligibility, etc.).

1. To be considered, an appeal: (a) must be submitted in writing to the CalHFA; (b) must be either hand delivered, facsimile-transmitted or postmarked within fifteen (15) calendar days from the applicant's receipt of this written determination of ineligibility (this determination is deemed "received" on the date of delivery if hand delivered; on the date of transmission if facsimile transmitted, and; on the third calendar day following the date it is postmarked, if mailed.); and (c) must state the reason(s) the applicant believes the residency determination was in error. All appeals must be submitted to the California Housing Finance Agency, Homeownership Programs, insert current preferred address here: 500 Capitol Mall or P.O. Box?. If the appeal is not delivered, facsimile transmitted or postmarked within the required time period, the verification process will be considered complete and the appeal dismissed.
2. Upon receipt of an appeal, CalHFA will appoint a person to serve as a review officer which person will not be the same person who rendered the determination being appealed nor a subordinate of such person.
3. The review officer may determine the relevance of the submitted information and may request additional information from the applicant or the person who rendered the determination being appealed and any other source he or she determines has relevant and reliable information, including but not limited to the INS. The review officer may set a cutoff time after which no additional information will be accepted.

4. The review officer will review the determination being appealed including all information upon which it was based as well as all information submitted by the applicant in support of his or her appeal. The authority of the review officer will be limited to a determination of eligibility based on the applicant's status as a United States citizen or national or qualified alien and he or she will have no authority to overrule any decision or conclusion of the INS regarding the applicant's immigration status.
5. If, during the appeal process, the review officer is informed by CalHFA that the applicant is ineligible to receive the loan or grant for reasons other than his or her immigration status, the appeal will be dismissed.
6. The review officer will use his or her best efforts to provide a written notice of decision to the applicant within fifteen (15) calendar days following the receipt of appeal provided, however, that in the event the review officer is unable to do so, he or she will provide a written notice to the applicant that (a) additional time is necessary, (b) the reason why, and (c) the date by which the decision will be rendered. In the event that the review officer is unable, after using his or her best efforts to do so, render the decision within the specified time frame, the review officer may repeat the extension process, as necessary, until the decision is rendered. The decision of the review officer will be a final administrative decision which will complete the final verification process.

Questions regarding this CalHFA appeal process may be directed to CalHFA Homeownership Programs, at
Signed by: _____

Title: _____



**LENDER VERIFICATION OF
CITIZENSHIP/QUALIFIED ALIEN STATUS**

The Lender, _____
has received and examined the documents submitted by each of the
applicants _____ and
_____ for the purposes of
supporting their declared status as either a United States citizen or national
or qualified alien and found them to be reasonable evidence of each
applicant's declared status.

(Signature of Authorized Representative)

(Date)

Type or print Name and Title of Authorized Representative

(Phone)

Post-Closing Loan Delivery & Purchase

Purchase Procedures

Ship all closed first mortgage loan package(s) within ten (10) business days after loan closing to the master servicer

- All files received for purchase are time and date stamped
- If the loan file has exceptions, the master servicer will communicate via phone/fax
 - › Loan exception recap report will be sent out weekly
- All loans must be program approved and exception free before they can be purchased

All CalHFA First Loans:

- Notes are to be endorsed to U.S. Bank National Association
- Deed of Trust to be assigned to U.S. Bank National Association
 - › Loans may be registered via Mortgage Electronic Registration Systems (MERS) in lieu of Assignment of Mortgage Deed of Trust
- Loss Payee Clause:

U.S. Bank National Association
Its successors and/or assigns as their interest may appear.
c/o U.S. Bank Home Mortgage
P.O. Box 7298
Springfield, OH 45501-7298
- Send CalHFA FHA closed loan files and documents to:

US Bank MRBP
17500 Rockside Rd.
Bedford, OH 44146
Attn: Operations Department
lender.management@usbank.com

All CalHFA Subordinate Loan(s):

- All CalHFA subordinate loans must be funded, delivered and purchased by CalHFA concurrently with the first mortgage
- Subordinate loan documents are to be drawn in CalHFA's name
- Loss Payee Clause:

California Housing Finance Agency
Its successor and/or assigns
1040 Riverside Pkwy., Ste. 110
West Sacramento, CA 95605
- Send ECTP and CHDAP (if applicable) closed loan files and documents to:

California Housing Finance Agency
Single Family Lending – MS 910
500 Capitol Mall, Ste. 400
Sacramento, CA 95814
877.922.5432

CalHFA MMC Tax Credit Closing Package(s):

- All final Closing Packages for the MCC application and documents should be submitted to the MCC Program Administrator at:

eHousingPlus
3050 Universal Blvd. Ste. 190
Weston, FL 33331
954.217.0817

Checklists

Use the Loan Purchase Checklist to ensure you are submitting a complete and accurate package.

(continued on next page)

Post-Closing Loan Delivery & Purchase (cont.)

Lender must use the following forms:

1. Most current version of standard
FHA Fixed Rate Note
2. Most current version of standard
FHA Deed of Trust
3. Lender must also use other
applicable documents (e.g.,
PUD Rider, etc.)
4. MSV Part II (Purchase Submittal
and Lender Certification
(6/27/12))



**SUBORDINATE
MORTGAGE SUBMISSION VOUCHER PART II
PURCHASE SUBMITTAL AND LENDER CERTIFICATION**

LENDER NAME: _____ LENDER LOAN NO. _____

SHIPPER CONTACT: _____ PHONE: _____ FAX: _____

SHIPPING OFFICE ADDRESS: _____

CalHFA MANIFEST NUMBER: _____ CalHFA SUBORD. LOAN NUMBER: _____

BORROWER: _____ CO-BORROWER: _____
(Last) (First) (Initial) (Last) (First) (Initial)

NEW PROPERTY ADDRESS: _____

BORROWER'S MAILING ADDRESS: _____
(if different from property address, i.e. P.O. Box, route, etc.)

LIEN POSITION OF THIS LOAN: _____ (2ND) _____ (3RD) _____ (4TH) _____ (5TH)

PROGRAM NAME: _____ RATE: _____ TERM: _____

PRINCIPAL LOAN AMOUNT: \$ _____ CURRENT UNPAID BALANCE: \$ _____

SETTLEMENT DATE: _____

REQUIRED DOCUMENTS FOR PURCHASE (Submission Package File Order)

1. Subordinate MSV Part II: Purchase Submittal and Lender Certification (This form)
2. Original and full copy of CalHFA Subordinate Promissory Note showing California Housing Finance Agency, a public instrumentality and a political subdivision of the State of California as Lender/Beneficiary which has been executed by the borrowers (any co-signor required to sign the first Promissory Note must also sign all CalHFA Subordinate Notes)
3. Lender or title company certified copy of the Deed of Trust showing California Housing Finance Agency, a public instrumentality and political subdivision of the State of California as Lender/Beneficiary and Trustee
4. HUD final Settlement Statement
5. Signature Affidavit for all borrower(s)

LENDER'S CERTIFICATIONS

The Lender has originated the CalHFA subordinate loan and hereby certifies:

Lender has issued and delivered to borrower(s) in the appropriate time period, all required Disclosure Statements, including, but not limited to, the Initial Truth-In-Lending Disclosure Statement, Good Faith Estimate and Fair Lending Notice and Final Truth-In-Lending Disclosure Statement if changes to the initial Truth-In-Lending Disclosure were required.

Borrower Name: _____ Manifest #: _____
Lender Loan #: _____

That the subordinate loan above referenced was recorded in the proper lien position as stated in CalHFA's Conditional Loan Approval and that the Deed of Trust reflects California Housing Finance Agency, a public instrumentality and a political subdivision of the State of California as lender/beneficiary and trustee.

Based on reasonable investigation, the Lender has no reason to believe that either the Borrowers or the Sellers of the home have made any negligent or fraudulent material misstatements in connection with the loan.

That the Borrower(s) did not pay more than a \$250 application/processing fee.

That the Borrower has obtained the required hazard insurance policies (hazard/flood, as applicable) with respect to the home and the Lender will ensure that the policies are kept in force for the term of the loan.

That the Lender has completed and/or satisfied all of the CalHFA conditions of the first and/or subordinate loan approvals and other CalHFA requirements.

The Lender hereby agrees that it will immediately forward to CalHFA all information which it or any of its successors may receive during the life of the mortgage which tends to indicate that the Borrower(s) may have made a misrepresentation in applying for a loan, or that may affect the Borrower's eligibility for a loan. The Lender hereby acknowledges that its failure to comply with the CalHFA requirements or the certifications made in this statement will result in remedial action by CalHFA as prescribed in the Program Manual and the CalHFA Mortgage Purchase and Servicing Agreement (or Mortgage Purchase Agreement).

Wiring Instructions:

Bank Name: _____ **Account Number funds are to be wired to:** _____
Bank Address: _____
_____ **Attn:** _____
ABA# _____ **Phone:** _____

(Signature of Authorized Representative)

(Date)

(Type Name and Title of Authorized Representative)

(Phone)

*Note: All blanks must be completed in order for the form to be valid.

Frequently Asked Questions

What is the CalPLUS FHA Loan Program?

The CalHFA FHA loan program is a FHA-insured loan featuring a fixed interest rate first mortgage which is fully amortized for a 30-year term. CalHFA FHA can be combined with the California Homebuyer Downpayment Assistance Program (CHDAP) or Extra Credit Teacher Program (ECTP).

Who can originate CalHFA FHA?

All lenders must be CalHFA-approved to participate; the lenders must also be approved by HUD and our master servicer, U.S. Bank.

To seek U.S. Bank approval contact the Lender Management Group at Lender.management@usbank.com

Do I need to make a reservation in the Lender Access System (LAS) before submitting a loan file to CalHFA?

Yes. The CalHFA-approved lender must make a reservation in our LAS prior to loan submission.

Does CalHFA FHA loan program allow additional subordinate financing?

Yes. The California Homebuyer's Downpayment Assistance Program (CHDAP) or Extra Credit Teacher Program (ECTP) and FHA-approved subordinate loan programs may be layered with CalHFA FHA. When CalHFA subordinate financing is used, different income limits may apply. In the case of conflicting guidelines, the more restrictive will apply.

What areas of California are eligible for CalHFA FHA?

CalHFA FHA is a state-wide program. Properties located anywhere within the State of California may be eligible for the program.

Are there sales price limits on CalHFA FHA?

Yes. The sales price of the property must be within CalHFA's published [sales price limits](#). These sales price limits can be found on the CalHFA web site.

What is the maximum loan amount for CalHFA FHA?

The maximum base loan amount (excluding Upfront Mortgage Insurance Premium) cannot exceed the lesser of \$417,000 or FHA loan limits for the county in which the property is located. For High Balance loan limits please see CalHFA rate sheet for add-ons.

Are condominiums eligible for CalHFA FHA?

Yes. CalHFA will allow approved condominiums that meet FHA Condominium Project requirements.

Is a manufactured home eligible for CalHFA FHA?

No. CalHFA FHA does not permit manufactured housing.

What automated underwriting engines do you allow for the CalHFA FHA loan?

CalHFA will accept the most recent version of Fannie Mae's Desktop Underwriter® (DU®) with the FHA Scorecard option and an Approve/Eligible decision or Freddie Mac's

(continued on next page)

FAQ's (cont.)

Loan Prospector (LP) with the FHA Scorecard option and an Accept results.

What are the minimum credit score requirements for CalHFA FHA?

The minimum representative credit score is 640.

Does CalHFA use the lowest credit score to determine the minimum representative credit score of 640 for the CalHFA FHA loan?

No. The middle score of the lowest scoring borrower should be used to determine eligibility.

My borrower only has one credit score, is that okay for CalHFA FHA?

Yes. At least one credit score must be reported.

Do all of my borrowers need to meet the minimum FICO score requirement for CalHFA FHA?

Yes. A minimum representative credit score of 640 is required for all borrowers who have a credit score. When the borrower's spouse has no credit score they may be eligible if they obtain Approve/Eligible findings.

Can I use a Non-Traditional credit report for the CalHFA FHA loan?

Yes. Non-traditional credit reports may be eligible for CalHFA FHA as long as the credit report has been scored and meets the minimum representative credit score.

Is manual underwriting permitted for the CalHFA FHA loan?

No. CalHFA FHA does not allow manual underwriting.

What is the maximum age of credit documents for the CalHFA FHA loan?

CalHFA will follow FHA guidelines for the age of the credit documents; except all income documents must be sixty (60) days or less at the time of submission to CalHFA.

What is the maximum LTV/CLTV for CalHFA FHA?

The maximum LTV is per FHA guidelines. The maximum CLTV is 103%.

Does the borrower have to have a cash down payment for CalHFA FHA? How much of the down payment must come from the borrower's own funds?

CalHFA requires the borrower(s) to make a minimum required investment into the transaction using a sliding scale based on the borrower Representative Credit Score:

- Credit Score 640-679 \$1,500
- Credit Score > 680 \$1,000

Cash back to the borrower(s) is not allowed from the CalHFA minimum required investment.

What fees and related charges are allowed for the CalHFA FHA loan?

CalHFA allows:

- Customary origination fees not to exceed the greater of 2% of the loan amount or \$3,000
- Other customary fees such as credit report fee, appraisal fee, insurance fee or similar settlement or financing cost
- \$200 funding fee (payable to CalHFA's master servicer)

(continued on next page)

FAQ's (cont.)

- In all cases the lender must meet federal and California lending laws regarding fees and charges.

Does CalHFA FHA program require the borrower to be a first-time homebuyer?

Yes. This program is open to first-time homebuyers only, unless the borrower is a qualified veteran or purchasing a home in a Federally Designated Target Area.

Does the Federal Recapture Tax apply to CalHFA FHA?

No. The Federal Recapture Tax does not apply to this program.

Is homebuyer education required for CalHFA FHA?

Yes. A CalHFA occupying borrower is required to obtain a CalHFA Homebuyer Education Counseling Certificate:

- [CalHFA On-Line Homebuyer Education is available through eHome™](#) or
- [Face-to-Face Homebuyer Education through NeighborWorks America](#)

Is a temporary buydown available for the CalHFA FHA loan?

Yes. 2-1 or 1-1 temporary buydowns are allowed on CalHFA FHA. The borrower must qualify at the Note rate.

Will co-signers be allowed for CalHFA FHA?

Yes, per FHA guidelines. The lender will consider the co-signer's income, assets, liabilities and credit history in determining creditworthiness.

Will non-occupying co-borrowers be allowed for CalHFA?

No. Non-occupying co-borrowers are not permitted.

Is there a re-lock fee for the CalHFA FHA loan?

There is no re-lock fee. If the rate lock expires or the loan is cancelled, it can only be re-reserved and locked after a 60-day waiting period, subject to guidelines in effect at that time.

I had to cancel a CalHFA FHA loan reservation after Conditional Approval. The 60 days has now passed and I have re-reserved the loan. Do I need to submit a new file to CalHFA?

Yes. The lender must submit a new file to CalHFA with current documentation. Every file that has a new reservation number must have its own file and go through the approval process.

When will I be able to lock my interest rate for CalHFA FHA?

CalHFA FHA has two locking options. The rate can be locked at reservation or at any time during the reservation period if the float-to-lock option is chosen.

I have chosen the float option for CalHFA FHA, and my loan has already been conditionally approved by CalHFA, but the rate has increased since approval. Do I need to have my loan re-underwritten?

Yes. CalHFA requires that the loan be approved by both the Lender and CalHFA at a rate that is equal to or higher than the requested interest rate at time of lock.

What is the rate lock period for CalHFA FHA?

The rate lock period will be for 60 days.

(continued on next page)

FAQ's (cont.)

I cannot close my loan in time. Can I get a rate lock extension?

All rate lock extension must be requested through CalHFA's Secondary Marketing Unit prior to the expiration of the current rate lock. Rate lock extension fees are posted on the CalHFA Rate Sheet.

Can my borrower pay for the cost of the rate lock extension of the CalHFA FHA?

Yes. The borrower(s) or seller(s) may be charged with the cost of the extension fee. At the time of purchase by CalHFA's master servicer, the rate lock extension fee(s) are to be net funded from the lender's proceeds.

What if the borrower changes properties? Can I cancel the existing reservation and re-reserve the CalHFA FHA?

Reservations are borrower, property and lender specific. If the borrower changes properties, the existing reservation must be cancelled before a new reservation is made. The underwriting and program guidelines in effect at the time of the re-reservation will apply.

My borrower had a loan reservation with another lender, but now they want to go through me. Can I reserve for CalHFA FHA?

If the rate was not locked on the other lender's reservation, the new lender may re-reserve the loan once the previous reservation is cancelled by the original lender. If the rate was locked by CalHFA, the new lender may reserve the loan after the 60 day wait period from the original rate lock expiration.

Does a CalHFA FHA loan simply need to be delivered to the master servicer by the rate expiration date?

No. The loan must be delivered and purchased by the master servicer prior to the rate lock expiration date. CalHFA suggests loan delivery by the 45th day of the rate lock so suspension items have time to clear by the rate lock expiration date.

How often does the master servicer purchase for CalHFA FHA?

The master servicer will purchase approved loans on a daily basis.